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SUBJECT: CHARM INOFFENSIVE: CHINA'S STATE COUNCILOR DAI REASSURES
ASEAN

¶1. (SBU) Summary: During the first-ever visit to the ASEAN Secretariat (ASEC) by a high-ranking Chinese official, Chinese State Councilor Dai Bingguo delivered a message of Asian brotherhood and inclusiveness to a packed house of some 200 diplomats, ASEC staff, and representatives of Jakarta's Chinese business elite. Against the backdrop of recent skepticism about the much-heralded China-ASEAN Free Trade Agreement (CAFTA), Dai's visit to Indonesia and hastily-arranged appearance at ASEC were intended to reassure Southeast Asian governments that China would not become a regional colonial power and that it would seek cooperation on the basis of equality and mutual-benefit. Dai contrasted China's historical relations with Southeast Asia favorably against the region's more recent experience with colonialism. Dai downplayed the notion of China's rivalry with the United States, and making his trademark appeal to China's relative poverty, emphasized that China had neither the intention nor ability to eject the United States from Asia. On regional architecture, Dai advised sticking to existing institutions and gave a nod to ASEAN centrality, which is a core principle for Indonesian FM Natalegawa and the GOI. Dai referred to the South China Sea in all but name, and indicated that China's territorial disputes with some ASEAN members would be left for future generations to resolve. Dai announced that China would establish an ASEAN Affairs section in its Embassy to Indonesia. End summary.

DON'T FORGET ASEAN

¶2. (SBU) Chinese State Councilor Dai Bingguo opened his January 22 address at the ASEAN Secretariat in Jakarta with characteristic humility, noting that his ASEAN appearance was arranged one week prior, and that he was not sure what to talk about. (Dai's trip to Jakarta was likely intended to build momentum for and forestall mounting skepticism about CAFTA among ASEAN countries and in Indonesia specifically.) His introduction meandered between alternating references to Indonesia and ASEAN, during which he highlighted the changes that had taken place in the region in the last ten years. Dai said that a zero-sum, Cold War mentality would be harmful to the region and suggested the need for new interaction based on the principle of "harmonious coexistence."

GOOD NEIGHBOR

13. (U) In contrast to China's reforms, increased openness, and economic advancements of the past decade, Dai noted that China was still a developing country with a low per capita GDP and enormous institutional challenges. Pictures of Beijing and Shanghai did not provide an accurate representation of the rest of the country, according to Dai.

14. (SBU) Dai emphasized that China, in spite of its size, is not to be feared, and urged the audience not to believe those who say China has developed or is on a par with the United States, which Dai predicted would take "several generations." In contrast to "some big countries that have a culture of expansion and even aggression," Dai claimed that China had not sought hegemony even when it was "the most powerful country in the world with 30% of global GNP." Dai alluded to the 15th Century voyages of Chinese Muslim Admiral Zheng He, who "brought tea and silk instead of colonialism," and who was still fondly remembered in Southeast Asia as an emblem of Chinese friendship toward its southern neighbors. (Dai's extended allusion to Zheng He was certainly meant to broad-brush China's historical interaction as exclusively economic and beneficial, in contrast to Western and Japanese colonialism.)

15. (U) Dai provided an iteration of China's current foreign policy principles, saying that China believes its future and destiny are linked with rest of the world. China believes in equality among all nations, big and small, said Dai, and China supports each country's

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right to choose its own development path. Referring to China's troubled relations with its Southeast Asian neighbors during the Mao-era, Dai promised that China would never again seek to export revolutionary views.

NOT SEEKING RIVALRY WITH U.S.

16. (U) China would neither compete for nor seek "joint hegemony" in Southeast Asia, said Dai. He noted that the United States was an important partner both for ASEAN countries and China, and repeated twice for emphasis that China had neither the intention nor ability to "squeeze" the United States out of Asia. Instead, said Dai, China wants to pursue mutually-beneficial relations and harmonious coexistence in the region. Dai observed that the United States had become "more deeply involved" in Asia, and warned that those who took a cautious, "wait-and-see" approach to China could miss out on important opportunities.

CONCRETE COOPERATION AND MORE TO COME

17. (U) Noting that China was the first large country to sign ASEAN's Treaty of Amity and Cooperation and to pursue a strategic partnership with ASEAN, Dai highlighted cooperative, China-funded projects in Indonesia, Philippines and Vietnam. He said that two-way tourism was increasing and that currently 6,000 Chinese teachers at 35 Confucius Institutes were teaching Chinese to up to 50,000 citizens of ASEAN countries.

18. (U) Dai praised the signing of the China-ASEAN Free Trade Agreement (CAFTA), and responded to recent grumbling in ASEAN media by saying that it was "natural" that all parties would have to make adjustments, and that such adjustments would be "fundamentally conducive" to improving competitiveness. China is committed to maintaining close consultations with all ASEAN countries in order to nurture the agreement, said Dai.

REGIONAL SECURITY AND ONE UNMENTIONABLE

¶9. (SBU) Dai expressed China's support for the "long-term goal" of an East Asian community, and noted that substantial progress toward regional integration in such areas as trade, finance (citing the Chiang Mai Initiative) and disaster relief should be credited to ASEAN's leading role. Dai said China believed that regional architecture should be based on existing, mutually-reinforcing mechanisms, and that regional architecture should be open to states outside of East Asia and inclusive. "East Asia cannot develop in isolation from the world," said Dai. (Dai's remarks on regional architecture were likely made partly in response to the Secretary's East-West Center speech, and were meant to reassure ASEAN of its centrality. It is unclear if Dai's references to East Asian community were intended in the general sense, as distinct from the Japanese-proposed "East Asian Community." If he was referring to the Japanese idea, his emphasis on the "long-term" nature of the aspiration would imply lukewarm Chinese support.)

¶10. (SBU) Without mentioning South China Sea marine boundary disputes by name, Dai posited that China and ASEAN countries have far more common interests than differences, and that "some issues" with "some ASEAN countries" should not be complicated or aggravated. "Even if our generation cannot solve them, we should have faith that our future generations will be able to solve them," Dai advised. (Dai's comments appeared to signal that China has no interest in negotiating on the issue anytime soon.)

CHINESE MISSION TO ASEAN?

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¶11. (U) Dai said that China would give "positive consideration" to opening an ASEAN Mission, and would start by setting up an ASEAN Affairs Section in its Embassy to Indonesia.

¶12. (U) This message is from the Resident Representative of the Ambassador for ASEAN Affairs.

HUME